

**TESTIMONY OF**

**MANUEL ABUD  
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KVEA-TV, CHANNEL 52, LOS ANGELES, CALIFORNIA  
ON BEHALF OF TELEMUNDO**

**HEARING ON THE DIGITAL TELEVISION TRANSITION**

**BEFORE THE  
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION  
UNITED STATES SENATE**

**JULY 12, 2005**

**Summary of Testimony of  
Manuel Abud, Vice President & General Manager, KVEA-TV, Ch. 52, Los Angeles  
on Behalf of Telemundo**

The work of this Committee ultimately will determine to what extent Spanish language television viewers continue to have critical access to free over-the-air Spanish language television in the digital era. Nationally, 43 percent of households where Spanish is the primary language spoken rely on over-the-air television exclusively. At the same time, digital television technology has failed to make significant inroads into the Hispanic community. If Congress fails to produce a final DTV transition plan that focuses on extending the benefits of DTV to all consumers, Spanish language television viewers will be subject to a disproportionate share of the resulting harm.

Telemundo Supports A Hard Cut-Off Date For Ending Analog Broadcasts. However, setting a hard deadline remains only one piece of the puzzle. In order to ensure that the transition to digital television is one that consumers will view as a net gain and not a net loss, several other components must be addressed:

A Subsidy Is Needed for Consumers To Purchase Digital-to-Analog Converters. Failure to adopt a consumer assistance program for digital-to-analog converter boxes, possibly funded by auction proceeds, would disproportionately harm Spanish-language households, who are behind in purchasing DTV products and who will be hit hardest when the final cut-off date arrives.

MVPD Carriage of Digital Multicasts Is Essential. The availability of additional, free, locally-focused broadcast channels is one of the most concrete *gains* that consumers will experience with DTV. In addition to local news and emergency information, the increasingly diverse character of American society makes the availability of additional Spanish language channels especially valuable. However, if these channels are not reaching cable and satellite subscribers, Telemundo and other Spanish language broadcasters will be unable to attract sufficient advertisers to support the large investments required to produce and offer new and innovative multicast programming services. Thus, ironically, as Congress is requiring millions of consumers to invest in new digital equipment in order to watch television, it will simultaneously be depriving them of one of the most important benefits they will receive for their purchases.

Consumers Must Have Access to DTV Signals in Undegraded Form. A conversion to DTV that requires consumers to purchase new equipment, and yet diminishes or denies consumers' access to HDTV – a paramount benefit of digital television technology – makes absolutely no sense at all. Multichannel video programming providers must be required to retransmit any and all broadcast signals – including High Definition programming – on the basic tier and in its original format and quality to all subscribers.

“Downconversion” of Digital Signals By A Cable Operator Must Be Conditioned on Nondiscriminatory Treatment of Local Broadcast Channels. Should a cable operator wish to downconvert a digital signal at the cable headend to ensure continued service to its analog subscribers, it should be permitted to do so only so long as the cable operator also provides an undegraded digital signal on the same tier as that downconverted signal. However, if a cable operator avails itself of this option, it must be required to do so for all broadcast channels it carries. Absent such a requirement, a cable operator could choose to provide an analog feed of only the top network affiliates, and leave in the lurch the analog viewers of smaller, religious and foreign-language broadcast channels, including Telemundo.

Consumer Education is Critical. Every stakeholder has a responsibility to augment their efforts to educate Americans about the transition and what they need to know to make it themselves. Telemundo supports mandated, point-of-sale consumer notices by retailers and manufacturers.

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Chairman Stevens, Senator Inouye, and Members of the Committee, my name is Manuel Abud, and I am the Vice President and General Manager of KVEA-TV, Channel 52, Telemundo's station in Los Angeles, California. Thank you for the opportunity to testify before you today on behalf of Telemundo regarding issues surrounding the transition to digital television.

I testify today not simply as a Telemundo executive or even just as a broadcaster, but also as a member of the Hispanic-American community, and as a Spanish language speaker. Many members of my community speak Spanish as their primary language, and are dependent on Spanish language over-the-air broadcasting as their primary source of news and local information. We are the "go to" source for news and information for the Spanish speaking community. The work of this Committee ultimately will determine to what extent Spanish language television viewers continue to have critical access to free over-the-air Spanish language television in the digital era.

Households where Spanish is the primary language are far more likely to rely on over-the-air television than other households. Nationally, 43 percent of households where Spanish is the primary language spoken watch over-the-air television exclusively. At the same time,

analysis of the consumer market reveals that digital television technology has failed to make significant inroads into the Hispanic community. Nielsen data indicates that the use of DTV receivers in Hispanic households nationally is the lowest among all consumer groups. As a result, if Congress fails to produce a final DTV transition plan that focuses on extending the benefits of DTV to all consumers, Spanish language television viewers will be subject to a disproportionate share of the resulting harm. In short, we really need the Congress to get the DTV transition RIGHT.

Getting it right means ensuring that Spanish-speaking consumers have access to the revolutionary benefits that digital television offers, especially High Definition television programming and multicasting. It also means that our audiences are not disenfranchised, whether they rely on over-the-air broadcasting, cable, or satellite for their television. The disruption and cost accompanying the DTV transition must be kept to a minimum.

As this Committee works to craft digital television transition legislation, it is critical to strike a balance between the need to bring the digital television transition to a close while also protecting the overwhelming majority of consumers who still only have analog television sets, and ensuring that the exciting new services that digital technologies enables are available and enjoyed by all consumers, especially minority and lower-income consumers.

Telemundo supports a hard cut-off date for ending analog broadcasts. But setting a hard deadline remains only *one piece* of the puzzle. Several other components also must be addressed – simultaneously – in order to ensure that the transition to digital television is one that consumers will view as a *net gain* and not a *net loss*. For instance, the millions of consumers who rely exclusively on over-the-air broadcasting – many of whom are Hispanic and lower-income – must have some federal support for their purchase of equipment that will ensure their sets do not go

black the day analog broadcasts cease. These consumers, as well as those receiving local broadcast signals via cable or satellite, also cannot be denied the full value and suite of benefits offered by digital television – this especially includes additional free digital channels that broadcasters provide, and HDTV without degradation. Finally, especially if a hard deadline is set, every stakeholder has a responsibility – actually, I believe it’s more of an *opportunity* – to educate every American about the transition and what they need to know to make it themselves. I address each of these issues briefly below.

#### ***A Subsidy Is Needed for Consumers To Purchase Digital-to-Analog Converters***

There has been much discussion of the need for some form of federal assistance to consumers – especially those, like many Hispanic and lower-income citizens, who rely exclusively on over-the-air broadcasting – who will need to purchase additional equipment to receive digital television signals. While Telemundo is not suggesting any particular approach, we do support the inclusion of a consumer assistance program that, at a minimum, ensures that households exclusively reliant on over-the-air broadcasting are not literally left in the dark once analog television is shut off. As I previously noted, failure to include a consumer assistance program in DTV legislation will have a disproportionately negative impact on Spanish language households, who are not currently purchasing DTV products and who will be hit hardest when the final cut-off date arrives. A subsidy program to defray the costs of a digital-to-analog converter box is a necessity in any mandated end to the digital television transition.

#### ***MVPD Carriage of Digital Multicast Programming Is Essential***

Digital television enables broadcasters to offer four or more programming channels in place of their one analog channel without using any additional spectrum. Multicasting allows broadcasters to serve their local communities better than ever before by providing multiple streams of locally-produced or community-oriented programs, including but not limited to:

“hyper-local” news, covering smaller parts of large metropolitan areas, programming that covers local political issues and candidates; newscasts that serve specific segments of the local market; local events, including school and amateur sports activities; and local weather, traffic, and emergency information.

In this time of heightened alert against terrorism, local broadcast stations are the first providers of emergency news and information to the public concerning not only actual or potential terror threats to public safety, but also local emergency incidents such as chemical spills, dangerous storms, floods, escaped prisoners, and similar incidents of urgent import. Multicast channels permit the rapid dissemination of such information in much greater detail by enabling stations to target information for particular communities on particular streams.

Beyond emergency or local information, the increasingly diverse character of American society makes the availability of Spanish language local television programming critically important in permitting Spanish language speaking residents to become better integrated into and function more effectively in the communities in which they reside. Multicasting increases the ability of broadcast stations to transmit Spanish language programming to Spanish speaking populations within their service area. Absent a meaningful must-carry requirement that includes multicast carriage, this digital dividend will be sacrificed.

Telemundo and other broadcasters cannot avail themselves of the powerful benefits of multicasting in the marketplace absent cable and satellite carriage of multicast programming channels. Broadcast television in any language is advertiser supported, and our ability to attract advertising dollars is directly tied to the number of viewers we have the opportunity to attract to our programming. The majority of all television viewers watch broadcast television via cable or

satellite, and if those services do not carry multicast programming services the overwhelming majority of television viewers will not have the opportunity to see them.

As a result, the fundamental basis upon which must-carry has been traditionally supported by Congress – the preservation of free over-the-air television – is critical in the context of multicasting. Absent congressional support for multicast must-carry, Telemundo and other Spanish language broadcasters will have no economic model upon which to rely to offer Spanish language viewers new and innovative multicast programming services. As Congress is requiring millions of consumers to invest in new digital equipment in order to watch television, it will simultaneously be depriving them of one of the most important benefits they will receive for their purchases. Failure to include multicast must carry in a final DTV transition bill strikes at the core of the critical balance between reward and risk upon which the success of the DTV transition rests.

***Consumers Must Have Access to DTV Signals in Undegraded Form***

A conversion to DTV that requires consumers to purchase new equipment, and yet diminishes or denies consumers' access to HDTV – a paramount benefit of digital television technology – makes absolutely no sense at all. Multichannel video programming providers must be required to retransmit any and all broadcast signals – including High Definition programming – in its original format and quality to all subscribers. Moreover, any DTV transition legislation should require that digital broadcast signals be carried on a basic tier of service. Both of these requirements serve consumers of pay television services well because they will ensure they can receive one of the principal benefits of DTV technology – the glorious video and audio quality of High Definition – at affordable rates.

***If Cable Operators Are Given Flexibility to “Downconvert,” They Must Be Required To Do So On A Nondiscriminatory Basis***

Should a cable operator wish to downconvert a digital signal at the cable headend to ensure continued service to analog cable subscribers, it should be permitted to do so only *so long as* the cable operator *also* provides an undegraded digital signal on the same tier as that downconverted signal. However, if a cable operator avails itself of this option, it must be required to do so on a nondiscriminatory basis. Absent such a requirement, a cable operator could choose to provide an analog feed of only the top network affiliates it carries, and leave in the lurch the viewers of smaller, religious and foreign-language broadcast channels, including Telemundo. This would make us unacceptably vulnerable to losing our analog cable subscribers unless cable operators decide to give all analog cable subscribers a set top box. Don't bet on that.

Cable industry leaders have repeatedly stated that they do not want to disrupt analog cable subscribers as the DTV conversion occurs. All we are saying, to quote President Reagan, is: “Trust, but verify.”

***Consumer Education***

Finally, a hugely important component of any DTV transition legislation must be consumer education – every stakeholder: retailers, manufacturers, cable operators, and, of course, local broadcasters and broadcast networks, must significantly ratchet up their efforts to inform consumers about the impending shut off of analog television and their need to purchase digital tuning equipment in order to continue to receive free broadcast services.

This must be done as soon as possible. It must be well-coordinated, understandable to the average citizen, and ubiquitous. In particular, Telemundo believes it is critical that consumers considering the purchase of an analog-only television be informed at the point of purchase – by



the retailer or other seller, whether in a brick-and-mortar retail store or a website, and by manufacturers, through a product label, about the conversion date, the need for digital tuning capability, and the potential limitations of analog-only equipment.

I appreciate the opportunity to appear before you today, and share with you concerns of Spanish speaking Americans who have much to gain but also much to lose in the digital television transition. I stand ready to work with each Member of this Committee to ensure that final digital television transition legislation serves the interests of our Nation and of all television viewers.